LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO

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FROM: JAMES M. RODDY, Executive Officer

TO: INTERESTED PARTIES

SUBJECT: INCORPORATION GUIDELINES

In accordance with Government Code Section 56815.2, the Governor's Office of Planning and Research (OPR) recently issued Incorporation Guidelines that provide a step-by-step approach to understanding the cityhood process set forth in the laws of the State of California. These Guidelines are attached for your consideration.

The Local Agency Formation Commission for San Bernardino County has adopted the OPR Incorporation Guidelines by reference, and has indicated that incorporation proponents should undertake the cityhood process in the manner identified in the Guidelines.

In addition, the Commission has adopted the following local policies to guide local communities in their consideration of the governmental option of cityhood:

1. Incorporation proposals involving land within an existing city sphere of influence will not be accepted for filing. Incorporation proponents must first initiate, and the Commission must approve, a sphere of influence amendment to exclude the study area from that sphere prior to circulation of formal incorporation petitions.

2. The Commission defines "financial feasibility" to mean the ability of a new city to maintain pre-incorporation service levels, with sufficient resources to provide a municipal-level law enforcement service consistent with the recommendations of the County Sheriff.

3. In determining feasibility, the Commission will consider only those revenues which are currently available to all general law cities. It will not consider

revenues derived through future special taxes or assessments, nor will it consider hypothetical revenues available through possible actions of a future city council (e.g., utility users taxes) in the determination of financial feasibility.

4. In determining feasibility, the Commission requires that proposed staff salary costs shall be based on an average of similar-sized cities or those cities which have the most comparable population within San Bernardino and Riverside Counties.

5. In determining compliance with Government Code Section 56720(e), the Commission determines that a "reasonable reserve" is a contingency fund equal to 10% of the projected general and special funds of the new city.

6. The Commission requires that a new city shall assume jurisdiction over all community-based special districts serving the incorporation area. A clear and compelling rationale must be provided if the continued overlay of a community-based district is proposed.

7. In order to qualify for incorporation, the community in question should contain a minimum of 10,000 people as determined by available census data, and the sales tax revenue attributable to the study area should at least cover the expected administrative and legislative costs of the new city.

In adopting these policies, the Commission emphasized that each incorporation proposal would be evaluated on its own merits, and that failure to comply with one or more of the above policies would not necessarily result in Commission denial of the proposal. They are simply intended to provide guidance to the communities and to LAFCO as to the characteristics of an incorporation proposal that offer the best chances of success.

In addition to the policies noted above, the San Bernardino LAFCO has adopted procedures to help guide the "getting started" phase of the cityhood process. After reviewing the attached Guidelines, you may wish to contact the LAFCO staff to discuss the procedures involved in obtaining the initial information necessary for a cityhood review. Please let us know if you have further questions or need additional information on the incorporation process.

Attachment:
    OPR Incorporation Guidelines:
        Final Incorporation Guidelines
        Appendices
        Petition Process Flowchart
        Incorporation Flowchart